

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

GAM REALTY LLC

Plaintiffs,

v.

NELSON SANTIAGO MARRERO, et al.

Defendants.

CIVIL NO. 16-2910 (PAD)

**NOTICE OF AUTOMATIC STAY OF PROCEEDINGS PURSUANT TO
COMMENCEMENT OF CASE UNDER TITLE III OF PROMESA**

TO THE HONORABLE COURT:

COME NOW Co-Defendants, Nelson J. Santiago Marrero, and Alberto Lastra Power, in their respective official capacities, without waving any right or defense arising from Title III of PROMESA and the Commonwealth's Petition under Title III, including submitting to this Honorable Court's, through the undersigned counsel, and respectfully allege and pray as follows:

1. On May 3, 2017, the Commonwealth of Puerto Rico ("Commonwealth"), by its representative pursuant to section 315 of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), the Financial Oversight and Management Board for Puerto Rico, filed a petition in the United States District Court for the District of Puerto Rico under Title III of PROMESA. *In re: Commonwealth of Puerto Rico*, Case No. 17-1578 (the "Petition").

2. The above-captioned action was commenced on November 2, 2016 (Docket No.1), alleging claims against the Commonwealth of Puerto Rico, its agencies and/or officials, for events that allegedly occurred before May 3, 2017.

3. Pursuant to sections 362(a) and 922(a) of the Bankruptcy Code, as incorporated by reference under Section 301(a) of PROMESA, the commencement or continuation “of a judicial, administrative, or other actions or proceedings against the debtor that was or could have been commenced before the commencement” of the petition under Title III or “any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case under” a Title III proceeding is automatically stayed without further action. 11 U.S.C. §§ 362(a), 922(a); 48 U.S.C. § 2161(a)(emphasis provided). The Commonwealth of Puerto Rico is the debtor in the Petition pursuant to 48 U.S.C. § 2161(c)(2) (PROMESA § 301(c)(2)).

4. “The automatic stay is among the most basic of debtor protections under bankruptcy law”, *Midlantic Nat'l Bank v. New Jersey Dep't of Env'tl. Protection*, 474 U.S. 494, 503 (1986); *see also Jamo v. Katahdin Fed. Credit Union*, 283 F.3d 292, 398 (1st Cir. 2002), and takes effect “immediately upon the filing of a bankruptcy petition “because the automatic stay is exactly what the name implies -- 'automatic' -- it operates without the necessity for judicial intervention.” *Soares v. Brockton Credit Union (In re Soares)*, 107 F.3d 969, 975 (1st Cir. Mass. Mar. 10, 1997)(citing *Sunshine Dev., Inc. v. FDIC*, 33 F.3d 106, 113 (1st Cir. 1994)).

5. The undersigned requests the court to take judicial notice of the above and stay the proceedings in the above-captioned case pursuant to sections 362(a) and 922(a) of the Bankruptcy Code, as incorporated by reference under section 301(a) of PROMESA, 48 USC § 2161(a).

6. The Commonwealth of Puerto Rico reiterates that it does not waive any right or defense arising from Title III of PROMESA and the Commonwealth’s Petition

under Title III. The Commonwealth reserves its right to plead or address any pending matter or claim in this case if the stay is lifted or if any order is issued in the Petition proceedings under Title III.

WHEREFORE, Defendants respectfully request the Court to take judicial notice of the above, staying all proceedings in this case.

I HEREBY CERTIFY that on this same date, I electronically filed the foregoing with the Clerk of the Court using CM/ECF system which will send notification of such filing to all attorneys of record.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on June 27, 2017.

WANDA VÁZQUEZ GARCED
Secretary of Justice

WANDYMAR BURGOS VARGAS
Deputy Secretary in Charge of
Litigation
Department of Justice

SUSANA PEÑAGARÍCANO BROWN
Director of Federal Litigation
and Bankruptcy Division

S/JOEL TORRES ORTIZ
Joel Torres Ortiz
U.S.D.C. NO. 302311
Federal Litigation Division
Department of Justice

P.O. Box 9020192
San Juan, P.R., 00902-0192
Tel. (787) 721-2900, ext. 2647,2650,2624,2606
Fax (787) 723-9188
joeltorres@justicia.pr.gov